

Massachusetts Future of Work Commission Virtual Hearing Monday, December 6, 2021 Submitted by: Jane Steinmetz, Boston Office Managing Principal of Ernst & Young LLP and Chair of the Massachusetts Business Roundtable

Chairman Lesser, Chairman Cutler, and Members of the Future of Work Commission, thank you for the opportunity to testify today. My comments offered today reflect insight as the Boston Office Managing Principal at Ernst & Young LLP ("EY US") as well as Chair of the Massachusetts Business Roundtable.

As we consider the future of work, we must do so by putting people first. Prior to the pandemic and over the course of the past 20 months, megatrends have and continue to shift demographics, digital disruption, evolving expectations between employers and employees, and more – all reshaping the workplace, how we work, and the future of work. It is therefore imperative that we invest in our talent including our current and future workforce and the tools and technologies that will enable this talent to succeed. As the country and world continues to shift in new ways, Massachusetts must also consider opportunities to reimagine a more equitable future so that the state can remain competitive in a global economy and all people can grow and thrive in our Commonwealth.

The EY global organization ("EY") is a professional services provider with more than 300,000 people worldwide, including over 2,000 people based in Massachusetts. To stay ahead of the curve, EY realizes we must strive to deliver an exceptional employee experience to better serve our clients. This people-centric approach keeps talent and the future of work a top priority and aligns with the mission of the Massachusetts Business Roundtable, a non-profit and non-partisan public policy organization comprised of CEOs and Senior Executives from the state's largest employers. As Chair of the Roundtable's Board of Directors, I see firsthand efforts statewide to strengthen Massachusetts' long-term economic vitality and competitiveness through a public policy agenda guided by increasing opportunity, promoting equity, and driving competitiveness. Talent is consistently a cross-cutting theme across all issue areas. That is why we must attract and retain talent in Massachusetts, develop a strong talent pipeline in Massachusetts, and increase access and opportunities for diverse talent in Massachusetts.

Where and how people work has dramatically shifted since the start of the pandemic, and employer projections indicate trends have and will continue to impact our workforce. Earlier this year, the Roundtable surveyed its members to understand post-pandemic plans, and a few findings are noteworthy for the Commission:

 79% of responding employers will use a "hybrid" work model post-pandemic. For employers and employees who can do so, this is a major change especially since 90%



of the same employers maintained all or mostly in-person work models prior to the pandemic.

- 88% of responding employers plan to maintain, expand, or relocate within Massachusetts in the next 12 to 24 months, citing access to talent - and particularly diverse talent - as the main driver for operating in the state.
- When given the flexibility to consider remote options, responding employers noted 5% of the workforce from Massachusetts based operations worked out-of-state prepandemic but this number more than quadrupled to 21% during the pandemic and employers forecast this trend will stay as high as 15% post-pandemic - tripling prepandemic norms.

Since these survey results were released, these findings continue to hold true based on trends we are seeing in the business community and anecdotal evidence expressed by members of the Roundtable's Board of Directors. While access to world-class, diverse talent has long been Massachusetts' calling card, the pandemic proved remote work can be successful regardless of location, and talent now has the flexibility to be increasingly mobile. At the same time, the pandemic cast a spotlight on the thousands of unemployed and underemployed in Massachusetts. If we lose talent and if we do not develop talent, our competitive advantage will be threatened.

Recognizing our greatest asset - talent - please consider these three recommendations to attract, retain, develop, and diversify talent:

First, incorporate investments in a future of work strategy that will improve the quality of life for people choosing to live, work, play, and innovate in Massachusetts. The Commonwealth has a unique opportunity to leverage federal American Rescue Plan Act (ARPA) funding and an increased state surplus to make investments today that will have lasting effects on people living in Massachusetts as well as people who may consider relocating to and from Massachusetts. Meaningful investments across regions of the Commonwealth include accessible workforce housing, affordable housing, reliable transit networks that are responsive to the changing work models and shifts, affordable and accessible childcare, mental health, and caregiving services, and vibrant placemaking such as open space, arts and culture, and broadband services. Future of work recommendations must consider what will attract and retain people in Massachusetts when new work models offer remote access to work – and therefore live – anywhere in the world.

Second, invest in short and long-term strategies that will develop a robust talent pool for employers. The Roundtable is part of the Workforce Solutions Group, which released a report earlier this year with five recommendations to do exactly this and I encourage the Commission to take these recommendations into consideration for implementation now to benefit employer pipeline needs today and in the future:



- Expand technical training and work-based learning to train, reskill, and upskill the unemployed and underemployed
- Expand programs for speakers of other languages
- Invest in digital access, proficiency, and capacity
- Fully fund existing workforce system capacity
- Prioritize and fund "work supports" like childcare, transportation, and housing to ensure people can enter and successfully complete training programs

Additionally, long-term investments in our K-12 education system will lead to gains for both employers seeking to access future talent as well as students pursuing access to college and careers. Building on the state's investments in expanded vocational technical education, Early College, school-to-career connecting activities, and STEM education is critical as we invest in our future talent.

Third and lastly, the Commission must ensure its recommendations incorporate policies that will drive greater diversity, equity, inclusion, and accessibility both in the workplace and communities. Massachusetts needs to be very intentional in fostering workplaces and communities that are safe and welcoming for all as we strive to attract, retain, and develop a workforce that looks like America. EY US believes and the Roundtable agrees that maintaining diverse perspective, combined with an inclusive culture, drives better decision-making, stimulates innovation, increases organizational agility, and strengthens resilience to disruption. These benefits are imperative to the future of work in Massachusetts.

Earlier this year, I was proud to help EY US's Boston Office establish a "Neuro-Diverse Center of Excellence," a resource to employ people with autism, ADHD and other cognitive differences. Our neuro-diverse practice is a great example in how employers can tap into talent that exists yet is underutilized. In addition to the role employers can play in delivering diversity, equity, inclusion, and accessibility in the workplace, the Commission should consider public policies with an equity lens to foster greater exposure and opportunity for underrepresented groups in the workplace, especially groups hardest hit by the pandemic including women, people of color, individuals with disabilities, and more.

As the future of work continues to evolve, the need to invest in our current and future talent remains constant. Roundtable members understand this all too well; members liken this employee-driven, evolving work environment as the "Great Resignation" noting businesses will go where the talent is. This is exactly why talent needs to be at the heart of the Commission's framing and recommendations as we collectively strive to ensure diverse talent remains and grows here, and that Massachusetts' future remains a thriving place for all to work.